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C O N F I D E N T I A L SECTION 01 OF 05 MOSCOW 006608

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SUBJECT: G-8 POLITICAL DIRECTORS/SENIOR GROUP JUNE 14
MEETING IN MOSCOW

REF: MOSCOW 6342

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Classified By: Minister-Counselor for Political Affairs Kirk Augustine.
Reasons: 1.4 (b/d).

¶1. (C) Summary. Meeting in Moscow June 14, G-8 Political Directors/Senior Group Members discussed outstanding issues relating to the St. Petersburg Summit statement on nonproliferation, including sensitive technology transfers, the U.S.-India agreement, and how to deal with the DPRK and Iran. U/S Robert Joseph briefed on the USG's Stabilization and Reconstruction initiative, on which the others urged the U.S. to brief the UN fully, and on BMENA. With the explicit exception of Russia, political directors urged that the frozen conflicts (South Ossetia, Abkhazia, Transnistria, and Nagorno-Karabakh) and Belarus be taken up by at the Ministerial on June 29. Disagreement between Russia and the others extended to the discussion on Kosovo, with Russia arguing that a precedent for resolving separatist conflicts would be set. Additional issues discussed included African peacekeeping, Northern Uganda, East Timor, the Middle East, and Iraq. End Summary.

Nonproliferation

¶2. (C) The Russian chair of the G-8 Nonproliferation Directors Group (NPDG), Anatoliy Antonov, briefed on the status of the NPDG's work. He highlighted the principal elements of the draft leaders' statement: reaffirmation of the importance of IAEA Safeguards and the Additional Protocol, President Putin's proposal for nuclear fuel services centers, the U.S. President's proposal for a Global Nuclear Energy Partnership, and fuel supply assurances to encourage states not to develop sensitive aspects of the fuel cycle. Antonov said the G-8 had reached consensus that it was preferable for India to be drawn into the IAEA framework. He expressed Russia's displeasure at being excluded from the Australia Group.

¶3. (C) U/S Joseph, representing the U.S. along with EUR DAS David Kramer, strongly advocated calling for the complete, verifiable, and irreversible elimination of the DPRK's nuclear programs. He cautioned the G-8 leaders would need to say more if the DPRK goes ahead by the time of the St. Petersburg Summit with the provocative step of a long-range missile launch. DFM Kislyak said he understood the G-8

expected a reference to North Korea. Japan said the G-8 should strongly urge North Korea to return to the Six Party Talks without preconditions. Canada said it was shoulder to shoulder on the DPRK, as well as Iran, Pakistan, Libya, and others. U/S Joseph urged a forward-looking statement on PSI given the success in expanding PSI in Central Asia and the Gulf to deal with North Korea and Iran.

14. (C) U/S Joseph argued that the language on transfers of enrichment and reprocessing technology in the current draft statement does not go beyond the existing NSG policy of restraint, and urged that the prudent policy of refraining from such transfers adopted at Sea Island and Gleneagles be extended for another year. Canada reiterated its strong interest in a criteria-based approach to sensitive nuclear transfers; restrictions should not apply to transfers among G-8 members. Italy supported that approach, and said it could live with language in the draft statement supporting a one-year moratorium on technology transfers. France supported the criteria-based approach, cautioning that the language in the statement on sensitive technology would be watched carefully; it was important to avoid the impression that there are two classes of countries in the world.

15. (C) U/S Joseph briefed on the status of Congressional consideration of U.S.-India civil nuclear cooperation, and proposed that the St. Petersburg statement welcome the nonproliferation commitments India has undertaken, encourage their implementation, and call on India to negotiate with the IAEA. Kislyak noted that varying approaches to India would make it an issue for the G-8 beyond the Russian presidency. Japan said it had proposed alternate language for the leaders' statement to take into account concerns about India raised at the last NSG meeting, and fully supported integrating India into the NPT. Italy called the U.S.-India agreement "welcome," and Germany noted that moving India toward the NPT would be "a process." Canada said it would

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take a "constructive approach" to dealing with India.

Stabilization and Reconstruction

16. (C) In his opening presentation on the U.S. initiative for Stabilization and Reconstruction and in response to questions, U/S Joseph emphasized that no new funding requirements were envisioned and that the UN would remain the primary actor in peacekeeping operations, though he added that we want to include regional organizations as well. The U.S. was not proposing to change or dilute the authority of the UN, nor to create new supranational structures. The S&R initiative was more about strengthening existing organizations and improving interoperability. He also noted U.S. hope to see implementation of the Transportation and Logistics Support Arrangement (TLSA). He also proposed a meeting of experts within two months of the Summit as the next step.

17. (C) Italy, noting its support for the initiative, reiterated the view that the UN must have the primary role in responding to crises and post-crisis situations. It also called for more attention to early warning mechanisms. Germany advocated key countries, such as the G-8, using their political influence to ensure the UN Peacebuilding Commission (PCB) would work and that devolving authority to regional organizations be bolstered. It pointed to the problem of lack of early action, not early warning. Canada said it supports the S&R initiative, after having some questions answered by U/S Burns, emphasizing the value in helping coordinate national activities. Canada stressed the primacy of the UN and the PCB, as did the UK, lent its support for the initiative and added that the lessons from the past 10 years ought to be more effectively marshaled. The EU Council argued G-8 states can help bolster the UN by providing the better communications and intelligence the DPKO is always

asking for. Japan, France, and the European Commission echoed support for UN primacy. Japan inquired about how to launch the process.

¶18. (C) Kislyak summed up by noting the consensus on UN primacy and bolstering the UN Peacebuilding Commission. He said the intent not to create a new structure or new funding requirements were welcome, but more specifics needed to be addressed before a G-8 Ministers' statement would be warranted. U/S Joseph responded that the G-8 leaders' backing would give the initiative a strong start and noted the experts meeting. The Commission advised consulting with India, China, and other countries whose support would be important, as well as with the UN. Kislyak agreed that the initiative should not come as a surprise to the UN and asked the USG to consult on the matter before the ministerial.

African Peacekeeping/Security

¶19. (C) The UK stressed that PM Blair would want to see follow up on the British presidency's focus on Africa, and argued for the G-8 Summit to highlight successes in the past year, such as international backing for the AU's Darfur mission and the Abuja peace agreement. Canada added that the government of Sudan is engaged in foot-dragging regarding Darfur, and that G8 members should actively engage Sudan on this. The UK added that the international community ought to more systematically engage with China on its activities in Africa, lest they run at cross-purposes to efforts to build good governments.

Northern Uganda

¶10. (C) Canada gave a briefing on its efforts to resolve the situation: the scale of fighting has been reduced but abductions are still occurring; the GOU is not showing enough leadership on ensuring IDPs can return home. It was crucial for the G-8 to get involved to keep the GOU's attention. Germany agreed with Canada's assessment, noting more pressure could also be put on the LRA, perhaps by international prosecutions. Kislyak said the Russian MFA had sent a team, led by the Director of its Sub-Saharan Africa Department, to assess the situation. They concurred with Canada's assessment, adding only that the GOU needs more funding to address humanitarian concerns. U/S Joseph agreed, saying the

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USG has been providing humanitarian assistance and working to pressure the GOU. Kislyak said the issue would be on the ministerial agenda.

Nagorno-Karabakh

¶11. (C) All the delegations expressed disappointment over the refusal of the Armenian and Azerbaijani Presidents to accept the Minsk Group's modest draft agreement. Germany noted that there is still a window of opportunity to push for progress before the election cycles of 2007-2008. The Russian MFA's Andrey Kelin saw the window of opportunity already closed, but thought the conflict would remain manageable; other delegations were more pessimistic, with the Japanese, Italians, and Germans noting the potential for further deterioration and renewal of fighting.

¶12. (C) The UK and U/S Joseph both thought that the issue needed to be at the attention now of the G-8 leaders. Kislyak argued pressure on the Azeris and Armenians would be ineffective and require the leaders to "escalate" the pressure next year if there was no result. Germany said the German presidency next year would have no problem continuing to focus on the issue. Germany thought that the leaders might not in fact force Aliyev and Korcharian to agree, but political will was what the two presidents lacked most now

and a statement from the combined G-8 leaders would be a powerful motivator. There was no alternative to a peaceful resolution, all agreed.

Georgia-Belarus

¶13. (C) Belarus, Georgia, and Moldova were not formally on the agenda for the meeting (contrary to agreement from the Russians at the April 19 meeting that they would be) and instead were raised under the "Any Other Business" listing on the agenda. Canada led off the discussion on Belarus by noting the Ministers will want to discuss it -- not to highlight and provoke differences but to focus on the fact that the regime in Minsk clearly stands in contrast to the fundamental values of the G-8. The UK seconded inclusion of Belarus and the South Caucasus on the ministerial agenda, arguing that Europe has an immediate concern with security in its neighborhood and differences can be narrowed through dialogue, as they had been in the Balkans. Germany and the Commission echoed the neighborhood security concerns, with the Germans arguing that the G-8 cannot simply discuss problems in Africa and other places and ignore them "next door." The Austrian Presidency noted Moscow's possible moderating influence on Belarus in the days following the election as a sign that we could discuss these issues. DAS Kramer pressed for a constructive approach to dealing with these issues, avoiding confrontation, and argued for using the G-8 to highlight Belarus' Helsinki Final Act and OSCE commitments, and the territorial integrity of Georgia and Moldova.

¶14. (C) Kislyak recited familiar Russian points: Putin and Lukashenko discuss Russia's problems with Belarus, but the situation there is far from "fascist" as some have described it. He drew attention to Russia's problems with Georgia's human rights record and argued for preserving the mechanisms that exist to deal with the frozen conflicts. Kramer pushed back on Kislyak's claim that the human rights record in Georgia was no better than that in Belarus. Kislyak added that Russia takes seriously the calls for the Ministers to discuss these issues and "you can rest assured that Sergey Lavrov does not shy away from serious issues."

Kosovo

¶15. (C) Germany said G-8 foreign ministers should make a public statement in support for UN Special Envoy for the Kosovo Status talks Martti Ahtisaari. Kosovo is now at a crucial stage; decisions made now will determine the outcome of relations between Albanians and Serbs for decades to come. He said more had to be done in terms of outreach to Kosovo's Serbs. Though both sides had not gotten beyond merely stating their positions, Serbian Prime Minister Kostunica appeared willing to engage the Kosovar Albanians at the highest level. This initiative should be helped along as a

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starting point for negotiations, he said.

¶16. (C) Kislyak highlighted the difficult political position Serbia is in, with the recent "loss" of Montenegro. He argued for slowing the pace of negotiations, and not insisting talks be completed by November. Kislyak also warned that the final status of Kosovo could become a precedent for resolving other frozen conflicts, and that an independent Kosovo could result in independence for other breakaway republics. To this, the German asked Kislyak to elaborate as to which breakaway republics he was referring: "Are you talking about Chechnya?" Kislyak responded that Chechnya was being resolved "through a different process," and that he was referring to Abkhazia, South Ossetia and Transnistria.

¶17. (C) DAS Kramer responded that Kosovo is unique and

offered no precedent. He added that the dissolution of Serbia-Montenegro followed a mutually agreed upon constitutional process. Kramer noted that the situation in Kosovo emanated from Milosevic's policy of ethnic Cleansing, NATO actions, and UN administration. He warned against using either as a precedent and going down the "slippery slope" of promoting secession.

Middle East Peace Plan

¶18. (C) Kislyak stated the need to maintain financial assistance to the PA. He said that the recent deaths of several Palestinian family members on a beach in the Gaza Strip, followed by Hamas' militant response, did not bode well for maintaining stability in the area. He emphasized that Hamas officials were legitimately elected and that they are now as responsible for the peace process as the Israelis or Fatah. France stressed the need for Hamas to fulfill the three Quartet principles and added that a mechanism should be constructed to allow social assistance and for PA employees to be paid. The EU urged the ministerial publicly support the TIM, which would be providing 105 million Euros for these purposes in the coming weeks, and did not provide legitimacy for Hamas. The UK echoed this view.

Iraq

¶19. (C) The UK urged greater G-8 support for rebuilding Iraq, suggesting the G-8 develop an "Iraq Compact," similar to the one for Afghanistan, with G-8 members pledging assistance for the achievement of specific goals. Japan agreed, but said an Iraq Compact would have to be tailor made, and not mirror the Afghan Compact, as the situation in Iraq is much different. The EU said it plans establish a 20 million euro assistance program to help provide basic services and assistance for democratic development.

Haiti

¶20. (C) Canada said there is room for optimism in Haiti but cautioned that the international community must maintain its engagement. He stated that the international community left Haiti too soon in the 1990s, and that this mistake should not be repeated. He pointed out that the current United Nations Stabilization Mission in Haiti will expire in August, and G-8 members and the UN must decide whether it should be renewed.

Broader Middle East and North Africa

¶21. (C) U/S Joseph said that the G-8 must continue to promote broader freedom in the Middle East and North Africa. He said the U.S. was looking forward to the Broader Middle East and North Africa (BMENA) Forum for the Future, to be held December 2-3 in Jordan and co-hosted by Russia. He added that the U.S. was also looking forward to providing assistance for democratic development, and the Forum will be an excellent opportunity to evaluate progress. He praised efforts of other members, including the UK, Italy and the European Commission. He also highlighted the progress made on establishing the Foundation for the Future, as well as the Democracy Assistance Dialogue meetings. The Germans said that while Germany supports the goals of the BMENA forum, it believed that these goals should be discussed within the

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framework of the Forum for the Future, rather than the G-8 summit. Japan voiced strong support for BMENA.

East Timor

¶22. (C) The Japanese said the situation is now critical, and

that Prime Minister Koizumi planned to raise the issue when foreign ministers meet.

Draft Agenda for Ministerial

¶23. (C) Kislyak said Russia will begin drafting an agenda for the ministerial based on the day's discussions. While suggesting that political directors prepare their ministers to focus on the main issues -- which he identified as Iran and the Middle East first and foremost followed by North Korea and regional crises -- he also noted that there would be opportunity to raise other issues.

¶24. (U) This cable was cleared by U/S Joseph's office and EUR DAS Kramer.
BURNS